

28. APPROVAL OF FIRST MODIFICATION AND AMENDMENT OF SUBSURFACE OIL AND GAS LEASE AND DRILLSITE OPTION, AND EXEMPTION FROM COMPETITIVE PUBLIC BIDDING PROCEDURE BY CITY OF BEVERLY HILLS, LOS ANGELES COUNTY - W-7408.

After consideration of Calendar Item 28 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. AUTHORIZES THE APPROVAL OF THE FIRST MODIFICATION AND AMENDMENT OF SUBSURFACE OIL AND GAS LEASE AND DRILLSITE OPTION, DESIGNATED AS EXHIBIT "VI" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.
2. AUTHORIZES THE APPROVAL, PURSUANT TO SECTION 7061 OF THE PUBLIC RESOURCES CODE, OF THE EXEMPTION OF THE PARCELS OF LAND DESCRIBED IN EXHIBIT "VI" FROM COMPETITIVE PUBLIC BIDDING PROCEDURE, AS AUTHORIZED UNDER SECTIONS 7057, 7058.5, 7059 AND 7061 OF THE PUBLIC RESOURCES CODE, BY REASON OF THE IMPRACTICABILITY OF COMPETITIVE BIDDING BECAUSE OF SMALL SIZE.

Attachment

Calendar Item 28 (2 pages)

28.

APPLICATION FOR APPROVAL OF
FIRST MODIFICATION AND AMENDMENT OF SUBSURFACE OIL AND GAS LEASE
AND DRILLSITE OPTION, AND EXEMPTION FROM COMPETITIVE PUBLIC BIDDING PROCEDURE

APPLICANT: City of Beverly Hills.

LOCATION: City of Beverly Hills.

PROPOSED USE: The City of Beverly Hills proposes to enter into a First Modification and Amendment of Subsurface Oil and Gas Lease and Drillsite Option that the City has negotiated with Standard Oil Company of California for the inclusion of certain additional lands, and has requested Commission approval to enter into the amendment without first offering the additional land for bid as authorized by the Public Resources Code.

OTHER PERTINENT INFORMATION:

On July 17, 1968 (Minute Item 26, page 864), the State Lands Commission, pursuant to the provisions of Section 7061 of the Public Resources Code, approved the exemption from competitive public bidding procedure, as authorized under Sections 7057, 7058.5, 7059 and 7061 of the Public Resources Code, of a proposed oil and gas lease of the City of Beverly Hills on 49 parcels of land containing 86.68 acres by reason of the impracticability of competitive bidding because of drainage and small size.

The lease was entered into on August 6, 1968, and subsequently amended on October 31, 1968, clarifying and extending the commencement date of the drillsite option from July 23, 1968, to August 6, 1968. The "First Modification and Amendment of Subsurface Oil and Gas Lease and Drillsite Option" will eliminate two parcels of land not owned by the City, correct a legal description for another parcel, and add 12 parcels containing a total of 9.68 acres to the leased area.

The City-owned lands proposed to be added to the existing lease are to a large extent surrounded by lands presently under lease to the Standard Oil Company of California. Standard is in a unique position to develop the lands by pooling with the surrounding leases, and has the necessary pass-through rights.

STAFF DETERMINATION:

It would not be practical to follow competitive bidding procedures for the additional parcels by reason of their small size. The parcels can be developed by only one operator.

CALENDAR ITEM 28. (CONTD.)

EXHIBITS: A. Location map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE APPROVAL OF THE FIRST MODIFICATION AND AMENDMENT OF SUBSURFACE OIL AND GAS LEASE AND DRILLSITE OPTION, DESIGNATED AS EXHIBIT "VI" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.
2. AUTHORIZE THE APPROVAL, PURSUANT TO SECTION 7061 OF THE PUBLIC RESOURCES CODE, OF THE EXEMPTION OF THE PARCELS OF LAND DESCRIBED IN EXHIBIT "VI" FROM COMPETITIVE PUBLIC BIDDING PROCEDURE, AS AUTHORIZED UNDER SECTIONS 7057, 7058.5, 7059 AND 7061 OF THE PUBLIC RESOURCES CODE, BY REASON OF THE IMPRACTICABILITY OF COMPETITIVE BIDDING BECAUSE OF SMALL SIZE.